ICD-10 Basics
Frequently Asked Questions for Providers

What is ICD-10?

International Classification of Diseases, 10th Revision (ICD-10) is a diagnostic and procedure coding system endorsed by the World Health Organization (WHO) in 1990. It replaces the International Classification of Diseases, 9th Revision (ICD-9), which was developed in the 1970s. Internationally, the codes are used to study health conditions and assess health management and clinical processes; and in the United States, the codes are the foundation for documenting the diagnosis and associated services provided across healthcare settings.

Although we often use the term ICD-10 alone, there are actually two parts to ICD-10:
• ICD-10-CM (Clinical Modification) used for diagnosis coding, and
• ICD-10-PCS (Procedure Coding System) used for inpatient hospital procedure coding; this is a variation from the WHO baseline and unique to the United States.

ICD-10-CM will replace the current code sets, ICD-9-CM, Volumes 1 and 2 for diagnosis coding, and ICD-10-PCS will replace ICD-9-CM, Volume 3 for inpatient hospital procedure coding.

What is ICD-10-PCS?

ICD-10-PCS (Procedure Coding System) is the HIPAA standard code set that will replace Volume 3 of ICD-9-CM for inpatient facility services (services billed on a UB-04 claim form). ICD-10-PCS identifies these services by emphasizing the allocation of hospital services instead of focusing on the physician services.

Current Procedural Terminology (CPT) will continue to be HIPAA standard code set for filing either inpatient or outpatient claims for physician services (services billed on a CMS-1500 form). Note that CPT codes should continue to be filed with procedure code modifiers as appropriate.

Why are we adopting ICD-10?

On January 16, 2009, the U.S. Department of Health and Human Services (HHS) released two final rules under HIPAA (Health Insurance Portability and Accountability Act of 1996). One of these rules requires all HIPAA covered entities to adopt ICD-10-CM for diagnosis coding and ICD-10-PCS for inpatient hospital procedure coding.

Reasons for requiring these changes include:

• The current ICD-9 code set is running out of diagnosis and procedure codes. As a result, the codes will not be able to continue to keep pace with new treatments and technologies that are developed or new diagnoses that are defined. In the long term, this will lead to poor or incomplete data regarding the use of new technology and patient outcomes.

• The new ICD-10 codes contain significantly greater clinical detail which will aid in a range of quality related programs. Hundreds of new diagnosis codes are submitted by medical societies,
quality monitoring organizations and other organizations annually. ICD-10 will allow not only for more codes but also for greater specificity and thus better epidemiological tracking.

- The remainder of the industrialized world has adopted ICD-10, and as diseases cross borders, we will be able to better track and react to global risks.

**What are the benefits of ICD-10?**

There are a number of benefits to implementing the ICD-10 code set. These include:

- Improving the accuracy of claims processing
- More accurate and detailed clinical reporting
- Better tracking of patient outcomes
- Fine tuning quality programs

**What does ICD-10 compliance mean?**

ICD-10 compliance means that all HIPAA covered entities are able to successfully document clinical events and process health care transactions and analytics on or after the compliance date using the ICD-10 diagnosis and procedure codes. ICD-9 diagnosis and procedure codes can no longer be used for health care services provided on or after this date.

In 2014, the U.S. Department of Health and Human Services (HHS) issued a rule finalizing October 1, 2015 as the compliance date for health care providers, health plans, and health care clearinghouses to transition to ICD-10.

**Who must comply with ICD-10?**

All HIPAA covered entities including health plans, health care clearinghouses, and certain health care providers must transition to ICD-10. Although, in some instances non-covered entities may not be required to adopt ICD-10, it might be beneficial for them to do so in order to continue doing business with health professionals that do convert to ICD-10.

**Will state Medicaid programs be required to transition to ICD-10?**

Yes. Like all other HIPAA covered entities, state Medicaid programs must comply with the ICD-10 requirements. We understand CMS is working with Medicaid programs to help ensure they can meet the deadline.

**Are any other countries currently using ICD-10?**

Yes, most other countries are already using a version of ICD-10. The United States is the last industrialized nation to adopt ICD-10. It is important to understand that the ICD-10 CM and PCS codes for the U.S. represent a variation from the baseline established by the WHO. This variation was developed as part of standard code maintenance activities led by Federal Agencies including CMS and the CDC; because of this variation and the use of the codes for reimbursement in the U.S., the insights from other countries may be limited.
What are the differences between ICD-9 and ICD-10?

In some ways, ICD-10 is similar to ICD-9. The guidelines, conventions, rules and organization of the codes are very similar. The big differences between the two systems are differences that will affect information technology and software. Specifically:

- ICD-10-CM codes range in length from 3 to 7 digits instead of the 3 to 5 digits in ICD-9-CM.
- ICD-10-PCS codes are formatted as 7 alphanumeric digits instead of the 3 or 4 numeric digits used under ICD-9-CM procedure coding.
- Coding using ICD-10-PCS is much more specific and substantially different from ICD-9-CM procedure coding.

The following table compares the features of the ICD-9 and ICD-10 diagnosis code sets.

<table>
<thead>
<tr>
<th>Diagnosis Code Comparison</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ICD-9-CM (Volume 1 &amp; 2)</strong></td>
<td><strong>ICD-10-CM</strong></td>
</tr>
<tr>
<td>3-5 characters in length</td>
<td>3-7 characters in length</td>
</tr>
<tr>
<td>Approximately 14,000 codes</td>
<td>Approximately 68,000 available codes</td>
</tr>
<tr>
<td>First digit may be alpha (E or V) or numeric; digits 2-5 are numeric</td>
<td>Digit 1 is alpha (to indicate the category); Digit 2 is numeric (in the future, alpha characters may be used if code expansion is needed); Digits 3-7 can be alpha or numeric</td>
</tr>
<tr>
<td>Limited space for adding new codes</td>
<td>Flexible for adding new codes</td>
</tr>
<tr>
<td>Lacks detail</td>
<td>Very specific</td>
</tr>
<tr>
<td>Lacks laterality</td>
<td>Includes laterality (i.e., codes identifying right vs. left)</td>
</tr>
</tbody>
</table>

The following table compares the features of the ICD-9 and ICD-10 procedure code sets.

<table>
<thead>
<tr>
<th>Inpatient Hospital Procedure Code Comparison</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ICD-9-CM (Volume 3)</strong></td>
<td><strong>ICD-10-PCS</strong></td>
</tr>
<tr>
<td>3-4 numbers in length</td>
<td>7 alpha-numeric characters in length</td>
</tr>
<tr>
<td>Approximately 4,000 codes</td>
<td>Approximately 72,000 available codes</td>
</tr>
<tr>
<td>Based on outdated technology</td>
<td>Reflects current usage of medical terminology and devices</td>
</tr>
<tr>
<td>Limited space for adding new codes</td>
<td>Flexible for adding new codes</td>
</tr>
<tr>
<td>Lacks detail</td>
<td>Very specific</td>
</tr>
<tr>
<td>Lacks laterality</td>
<td>Includes laterality (i.e., codes identifying left vs. right)</td>
</tr>
<tr>
<td>Generic terms for anatomic sites</td>
<td>Detailed description of anatomic site</td>
</tr>
<tr>
<td>Lacks descriptions of methodology and approach for procedures</td>
<td>Provides detailed descriptions of methodology and approach for procedures.</td>
</tr>
<tr>
<td>Lacks precision to adequately define procedures</td>
<td>Precisely defines procedures with detail regarding anatomic site, approach, device(s) used and qualifying information.</td>
</tr>
</tbody>
</table>
What should physicians, health care professionals and institutions do to prepare for ICD-10?

- Educate yourself and your staff about the ICD-10 compliance requirements.
- Review communications, training materials and tools available on governmental and professional organization websites.
- Contact your clearinghouse and ask them to provide their recommended steps to becoming ICD-10 compliant.
- Ask your vendors for their plan to convert to an ICD-10 compliant version. Note: There may be a cost associated with upgrading your software. (Please note: We do not support attempts to transform ICD-9 based records into ICD-10 records by merely cross-walking them - this may create artificial variation that may impact reimbursement and reporting).

Where can providers find training opportunities?

ICD-10 resources are available through CMS, Medicare Administrative Contractors (MACs), professional associations and societies such as AHIMA and the American Academy of Professional Coders, and practice management system/EHR vendors.

To learn more, visit the resources below:

BCBSA (Blue Cross Blue Shield Association): http://www.bcbs.com/healthcare-partners/icd-10/
AHIMA (American Health Information Management Association): http://www.ahima.org/icd10/
WEDI (Workgroup for Electronic Data Interchange): http://www.wedi.org/
ICD-10 Watch (sponsored by Healthcare Finance and 3M): http://www.icd10watch.com/
National Center for Health Statistics (NCHS): http://www.cdc.gov/nchs/icd/icd10.htm